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Human Events THE WASHINGTON NEWSLETTER

Vol. XVIII, No. 5 February 3, 1961 Section I — News

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The Big Battle: A storm is blowing up in the House of Representatives which—history may record—would make the tumultuous battle in 1937 over Roosevelt's attempt to pack the Supreme Court look like a tempest in a tea-cup.

Today, Speaker of the House Rayburn (conspicuously aided by President Kennedy) seeks to pack the House Rules Committee—known as the "guardian of the purse"—with wild spending liberals.

What happened last week was this—the courageous conservatives (Republican and Democratic) in the lower chamber moved so gallantly and effectively against Rayburn's high-handed packing scheme that the Speaker realized he did not have sufficient votes to put over his plan. He had to postpone his show-down on the floor of the House until this week.

This setback for "Mr. Sam" was hailed by conservatives in the cloak-rooms as a preliminary defeat for the forces in the Administration which favor an "unsound dollar."

This skirmish, favorable to the conservatives, was marked by several potentially sensational developments which may—if the conservative ranks stand firm—have profound effects on the rest of the congressional session and on the fortunes of the new Administration.

(1) The grass roots quite obviously came to life and showered protests against "packing" via telephone, wire and letter on the Congressmen (HUMAN EVENTS last week urged conservatives to wire their Congressmen to defeat the packing plan). Those in the constituencies who urged their members to stand firm against Rayburn obviously related this battle to the fight for a sound dollar. For them, it was no mere conflict over some parliamentary "rule," but a crusade in favor of fiscal solvency. Such voices "from home" greatly enheartened the brave members who challenged "Mr. Sam's" bid to become a "czar." (Additionally, some letters from citizens evinced keen disappointment with Kennedy's backing of Rayburn—a disillusionment to many who had applauded the young President's popular inaugural address.)

Veteran observers on Capitol Hill believe this grass roots uprising may serve as a salutary reminder to the White House that a majority of the people at last November's election did not give the Democratic Executive any mandate to ride roughshod over Congress.

(2) Many members of the House reacted angrily to attempts by the Democratic Executive arm to pressure them into voting with Rayburn. Kennedy's new Secretary of the Interior, Udall, phoned some western GOP members and reminded them that they might later seek Interior funds for such problems as irrigation. One member told HUMAN EVENTS: "If Udall phoned me and tried to apply that kind of pressure, I'd hang up on him and then I'd make two phone calls. The first would be to the FBI to report a bribe attempt, and the second would be to the press." There's little doubt that this sort of a back-fire discouraged "The Man Who Would Be Czar" from risking a floor vote last week.

Meanwhile, Capitol Hill ponders the warning of Raymond Moley, long-time professor of government, and national columnist: "At this moment, fiscal integrity and sanity . . . is the most vital issue before the US. It is a bad time to emasculate the Rules Committee, which over the past few years has saved the American taxpayers billions of dollars in spending and inflation."

Congressman Howard Smith, Chairman of the Rules Committee and target for the free-spending liberals, says he would have won last Thursday if votes had been taken; and optimistically thinks coming days will swell his forces to defeat the packing scheme. Observers think he's right—on one condition: that the grass roots redouble their pressure on members of Congress, their leaders (and also on the White House) by phone, wire and letter—"Defeat the Rules Committee packing plan."

Not Merely Gossip: No doubt that President Kennedy's inaugural address initially drew vigorous

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praise from both sides of the aisle. However, after a week's reconsideration, some less enthusiastic comment appears. One former diplomat (reflecting on Kennedy's foreign policy aims) says, "Fine—but *how* is he going to do it?" On Capitol Hill, some regrets are expressed that the new President, urging a joint "quest for peace" with Soviet Russia, did not qualify our stand by reiterating Ike's condition—"deeds not words" from Moscow is the test for any negotiations.

• *Republicans applaud the Administration's decision to proceed through normal diplomatic channels on any East-West negotiations, point out that this was Ike's (and Dulles') pattern; but add that a year ago it was the Democratic forces (including Kennedy) that vociferously pressured Ike to meet face to face with Khrushchev. Now the shoe's on the other foot—is one observation.*

• Unmentioned by the press was the fact that outgoing Vice President Nixon, in his final press conference, urged electoral college reform, and mentioned favorably (among the many methods now proposed) the approach of Senator Karl Mundt (R.-S.D.). Under the Mundt proposal, every voter would vote for two electors at large (in his state) and for one elector in his elector district. (See HUMAN EVENTS, January 20 issue, section II.)

• *There is gratification over the release of the RB-47 flyers, but not gratitude to Russia—around Capitol Hill. The murderers—Khrushchev and company—of the four other members of the RB-47 crew show no repentance nor offer an apology. The release scarcely presages better US-USSR relations, unless the US appeases Russia. The following questions were raised: What is the* quid pro quo *for the release? Was it a promise of a Kennedy-Khrushchev exclusive "summit" in New York in March when the Soviet leader visits the UN?*

GOP National Chairman: Why the delay in naming a new GOP National Chairman to succeed incumbent Senator Thruston Morton? Some pros say it's because the "old guard" (Eisenhower-Nixon-Rockefeller elements) fear that Senator Barry Goldwater will come to dominate the National Committee and get his man (presumably Ray Bliss of Ohio) in as party boss. The Old Guard has failed to tap big money in recent years and realizes that Goldwater is the best fund-raiser in the party. As head of the Senatorial Campaign Committee, he has racked up an impressive record as a fund-raiser. The pros think that Morton, because he must now devote much time to preparing his campaign for re-election in Kentucky, should get out as soon as possible; that's the normal procedure. Delay in getting a new National Chairman, they say, looks like a "stop Goldwater" strategy.

Mitchell: Capitol Hill criticism of numerous "out-of-this-world" task force reports is not confined to those ordered by President Kennedy; it also includes one from the Eisenhower regime, ordered by Ike's Secretary of Labor James P. Mitchell who now seeks his party's nomination for the Governorship of New Jersey. This report is a study of collective bargaining in the steel industry and comes to the following surprising conclusions.

They are: that the effect of the long steel strike is slight, that the wage and price results did not feed inflation, that unemployment in related industries is small. Mitchell endorsed these conclusions, saying: "The strikes which may from time to time accompany the negotiations do not warrant the public consternation and outcry that have occurred in the past." "This is fantastic" was the comment of the Washington Daily *News* on the Secretary of Labor's endorsement.

Apparently Mitchell did not heed the reports of his own President. In his last two reports, Ike mentioned the sharp effects of the famous steel strike of 1959 *and on the "recovery" from it.*

Nor is that all. Recently Kennedy's new Labor Secretary, Arthur J. Goldberg, an official of the United Steelworkers during that strike, remarked: "We can't afford another steel strike. We still haven't recovered from the dislocations of the last one."

Capitol Hill wonders how James P. Mitchell is going to explain this colossal boo-boo to the Republicans of New Jersey, whose support for his bid for the Governorship he now seeks.

Voting Rights: Rep. Elford Cederberg (R.-Mich.) has introduced a joint resolution (H. J. Res. 120) calling for a constitutional amendment to assure voting rights for some eight million persons who were unable to cast their ballots last November 8—American citizens who had moved from one state to another and collided with state laws requiring considerable periods of residence before voting. Congressman Cederberg's proposal would forbid any state to prevent a resident from voting for Federal candidates (President, Vice President, Senator and Representative) on grounds of insufficient residence, if the voter had recently been a registered voter for such candidates in another state.

Politicos in the Capital know that many large corporations constantly shift personnel (executives, salesmen, chain store managers) from state to state and the latter are usually thereby disfranchised, because of certain state laws. Since they are mainly white-collar, middle-class people, the loss to the Republican party voter ranks has been considerable.

Business: Most of the economic indicators point to no early rise in business activity. Senator Barry Goldwater, discussing the cost and consequences of the Democratic Administration's spending program on January 19, declared that the Kennedy blueprint has had "a very definite adverse effect on the economy. An aura of caution has settled over the business activity of the nation. Investments are being made at a slower pace, risk capital is becoming harder and harder to find and industrial expansion is declining."

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He continued: "Recklessness in the sphere of government spending, with its attendant deficit financing and inflation, always has had an unsettling and disruptive effect on our national economy. But today we are so sensitive to the way big government can, through grandiose political spending schemes, drain away our wages, savings, annuities, pensions and other forms of income that even the threat of greater government outlays becomes dangerous. That is what is happening today."

Goldwater said that the increase in government spending resultant from the Kennedy Administration's projected programs would be more than $7.5 billion this year; this figure, he added, is based almost entirely on estimates given by the new President's task forces.

That is extremely "modest," he said, because it does not include any increases for defense or space activities, veterans' affairs and other areas. "I should not be surprised," he concluded, "to see the total additional spending proposed for the first year go over $10 billion."

JFK Braintrusters: Last week Harvard University's ultra-liberal writer-professor Arthur Schlesinger, Jr., joined the White House staff as an official adviser to President Kennedy. Still an unofficial adviser but close to Kennedy's ear is Keynesian economist John Kenneth ("There's too much private spending") Galbraith. For the late rundowns on these two braintrusters who will deeply affect JFK's first hundred days, see Schlesinger story on page 72 and article about Galbraith beginning on page 77.

Courageous Newcomer: A report on how courageous conservatism paid off for a young Republican seeking his first term in Congress last November has just reached HUMAN EVENTS.

In Maine's First Congressional District, 37-year-old Peter A. Garland was running as the GOP candidate against a Democratic incumbent with strong labor union backing. Early in the campaign the president of the Civil Service Employees Union in the area posed two well publicized questions to Garland. The union leader wanted to know whether Garland would support the Wage Equalization Bill for the Boston and Portsmouth, Maine, naval shipyards. The Boston wages were higher and the Maine shipyard is in Garland's district. He also wanted to know whether Garland, if elected, would introduce a new wage equalization bill if the old one failed to come out of committee.

Garland answered, to the union leader and to the press, that "the simplest and most politically expedient thing for me to do would be to say 'yes' and let it go at that. However, I am not that type of person and the problem is nowhere near that simple."

Garland agreed that a wage difference did exist between the Boston and local shipyards, and that in some cases workers came from the same labor pool, as the yards are but 50 miles apart. Garland stated that, taken at face value, the logical thing to do would be to equalize these wage rates.

But he explained that the wage rates at the local shipyard were based on government surveys of comparable rates in the surrounding industrial areas and that the wages already paid at the shipyard were highest of all the types of work done.

Garland went to the people of his district and explained that further wage boosts would discourage much-needed industrial expansion in their part of the state, and that to seek ill-advised wage gains would be to the long term detriment of the people. Although the press and advisers predicted disaster for Garland because of his stand, it paid off. He won the election by 12,000 votes—and carried the area in which most of the shipyard workers live by a 2-1 margin. Garland's victory is seen by political railbirds as an excellent example of how sound principles can prevail over great odds —if the candidate has the courage and foresight to spell them out in clear terms to the voters.

Federal Power: Considered a poor choice for one of the most important Interior Department appointments is Kenneth Holum of South Dakota, who was confirmed last week as Assistant Secretary for water and power.

Holum has a longtime reputation as an enemy of free enterprise ventures. He is a vociferous champion of Federal power control and of "cooperatives." Until recently he was executive secretary of the left-leaning South Dakota Association of Cooperatives.

In a recent speech in Omaha, Holum said: "The forces of monopoly and the forces that wish to exploit public resources for private gain [this is Holum jargon for free enterprise, Dakota sources inform us] are still in the field and are as determined as ever." In the same speech Holum made a pitch for complete Federal control of river systems (Missouri Basin) by stating that "Democratic processes have made the problem even more difficult by dividing responsibility between ten state governments and [other agencies]."

Trade Policy: William Jennings Bryan Dorn (D.-S. C.) predicted last week that reciprocal trade treaty extensions will be defeated by Congress, unless they are "properly administered by the new Administration."

Dorn said that Americans are greatly alarmed over rising imports, the decline in exports and the loss of our gold reserves. The Carolina conservative said that our "fallacious trade policy" has

MELVIN R. LAIRD, Republican Congressman from Wisconsin: "HUMAN EVENTS fills a very important void which exists in reporting from Washington. Anyone wishing to have a complete picture on the Washington scene must include HUMAN EVENTS in his weekly reading. Each week I look forward to receiving my copy."

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undermined the purchasing power of the dollar and that "depressed area handouts are not the solution to wholesale unemployment resulting from a flood of low-wage imports."

Films: Chairman Francis Walter of the House Committee on Un-American Activities has again warned of the Red comeback in Hollywood. Walter stated that the American film industry had in the past been infiltrated by some 300-400 since-identified Communist party members. Public opinion forced the industry to clean house.

"Now," Walter stated, "the Communists are openly moving back into the industry. A number of frequently-identified Communists are back at work writing, producing or otherwise associated with films, some of which are only thinly disguised, Communist-serving, anti-US propaganda."

The HCUA chairman stated that the anti-Communist code of the film industry (the Waldorf Declaration of 1947, in which moviemakers vowed not to employ known Communists) has become "open hypocrisy and a complete mockery because of the actions of certain independent producers and also some of the major studios."

Capitol Camera: Although the Soviet Union refused to help pay the expenses of the UN's Congo operation, it is making big headway in stacking UN Secretariat and Special Agencies with more Communists. The USSR has already staffed UNESCO with three major appointments since January 1.

• *AFL-CIO President George Meany now complaining that Reuther is too influential with Kennedy. The President, Meany claims, is giving CIO members more key jobs than he's giving AFL members.*

• While the new Administration presses for nuclear disarmament, Communists make headway with conventional arms. In the last six years, Sino-Soviet arms aid exceeded $1 billion to 10 underdeveloped countries. These arms have supported the United Arab Republic, Algerian terrorists, Guinea, Ghana, Cuba, Indonesia, Lumumbaites, and Laos rebels.

• *Passed over by Secretary of State Dean Rusk, Walt Whitman Rostow landed job with Kennedy. The MIT professor, a Bowles-like foreign policy exponent, appointed as special deputy assistant to the President for national security affairs.*

• While Kennedy has 6000 patronage jobs to fill, he can't seem to find place for Franklin Delano Roosevelt, Jr. Junior lost out on recent Latin American appointment because he once lobbied for the liberals' pet hate, General Trujillo. Rusk said his selection would spark "Communist-led" riots south of the border. Previously, the junior FDR was slated for Assistant Secretary of the Navy, same post his father held. McNamara turned a fast thumbs down. Kennedy, however, still thinks well of Junior's qualifications, has promised him another high post.

• *Professor Willard W. Cochrane, who was instrumental in drawing up Kennedy's farm plan during the campaign, named as staff economic adviser to Agriculture Secretary Orville L. Freeman. Henry Wallace pointed out that Cochrane's farm plan was even more socialistic than those in Communist countries.*

• Adlai Stevenson staffing US delegation to UN with his friends: Francis Plimpton and Philip M. Klutznick. Former Ambassador to Cuba, Philip Bonsal, who fell hook, line and sinker for Castro, also reported heading for UN post.

• *Former Ambassador to Russia George Kennan, a strong believer in co-existence and tolerant of Titoism, named as Ambassador to Yugoslavia. He's expected to plump for Tito's views on how to handle Soviets, although Yugoslavia is an admitted foe of the West and consistently votes with Russia in the UN.*

Education: Dr. Arthur Bestor, University of Illinois history professor, has issued a stinging minority report to an educational committee's recommendations that the United States expand and extend the National Defense Education Act. The NDEA was established in 1958 to provide loans to students on the theory that the US was far behind the Soviets in the sciences and that youngsters who would have been science students did not have enough money to go to school.

Dr. Bestor, however, testily replied to the committees' demand for more money by saying: "Committees, I discover, will always agree to spend more money, whether or not they agree on anything else."

Bestor charged the act was a "hodge-podge" of measures, and that while some of the measures in the bill were good, "others . . . have reinforced the very tendencies that produced American educational weaknesses in the first place." As examples, he noted the NDEA loans money to students to enter "pedagogical" courses, and experiment with new "media." These educational programs, he pointed out, should "be abandoned or curtailed."

Thus Dr. Bestor now supplements the attacks against the NDEA by HUMAN EVENTS which, in its February 18, 1960 issue, pointed out the soft, non-scientific courses approved by the NDEA administrators.

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Human Events

Vol. XVIII, No. 5 — Section II

February 3, 1961

Depressed Areas Bill

Kennedy-Douglas vs. Tom Elliott, Unemployed

By James L. Wick

Kennedy, September 19, 1960, Charleston, West Virginia: "During your primary I pledged that within 60 days of my election I would send to the Congress a complete program to restore and revive the economy of West Virginia . . . and all the other neglected areas of our country. Today I reaffirm that pledge."

KENNEDY'S CAMPAIGN pitch to the chronically depressed area of West Virginia was that he would provide well-paid jobs for their unemployed. We raise the question: Has the President ever asked himself: why are those areas chronically depressed? Consider the following facts:

While manufacturing wages generally are $2.27 an hour, John L. Lewis, by threats of violence, has forced miners' wages up to $3.26 an hour. The resulting higher coal prices have accelerated the shift to competitive fuels. In addition, coal operators can pay the $3.26 an hour wage only by mechanization. * The combination of mechanization and the shift in fuels has eliminated the jobs of two-thirds of the miners.

The miners who have lost their jobs can't see why they are not entitled to jobs paying $3.26 an hour—like their more fortunate neighbors. They have been saturated throughout the years with propaganda that all employers have the wherewithal to pay higher wages; it is only selfish greed that keeps them from doing so.

Mr. President, how do you persuade businessmen to build factories in such an environment?

But before going into what can be done, let's go a little further into the gradual extension of the "chronically depressed" areas. Until recently, the areas of despair consisted almost exclusively of coal mining areas plus a few other communities which had been victims of unusual circumstances. But now other industrial regions are headed in that direction.

First among them are the older basic steel-producing communities. Again the cause is simple: artificially high wage rates—second only to coal. It follows that as employment in older steel centers is reduced by automation and by the construction of new steel plants in the major steel-consuming centers, the present wage scales will discourage lighter industry from coming in to create new employment opportunities. Kennedy, in his campaign speeches in the Mahoning Valley (Youngstown), where the steel industry was operating on a 40 per cent basis, severely criticized Eisenhower for not having "diversified" the Mahoning Valley's industrial complex. His criticism should have been directed at David McDonald, whose United Steelworkers have pushed steel wages so high that "diversified" industries have little interest in locating there.

Soon to be "chronically depressed," if they are not so already, are the auto manufacturing communities of lower Michigan. Reuther's latest is a demand that auto layoffs be arranged so as to maximize rather than to minimize unemployment benefit payments. This of course is another way to raise employer costs since unemployment benefit payments are charged against the employer's "unemployment insurance account" and over the long run are really paid by him.

One can actually set up a timetable to show when a region will formally become "chronically depressed." Once an industrial community has been sewed up tight by the labor barons and they put the squeeze on, you can be sure that that community's prosperity will last only as long as the factories already there can maintain their hold upon their consumer markets. As soon as the markets begin slipping away, the Labor Department's formal transfer into the "chronically depressed" classification is not far away. Since replacement industry will not be coming in, workmen not protected by high seniority will have to move elsewhere—unless they are willing to go permanently on the relief rolls.

This of course is elementary economics. Strangely, it is well understood by a man who is very, very close to President Kennedy. He described the consequences of artificially high wages in a book called *The Theory of Wages*, published in 1934. That man, then a professor of economics at the University of Chicago and later president of the American Economics Association, wrote:

"If wages are pushed above the point of marginal productivity the decrease in employment will normally be from three to four times as great as the increase in hourly rates so that the total income of the working class would be reduced."

The man who wrote that statement is Paul H. Douglas—the author of the Kennedy-sponsored Douglas "Area Redevelopment" bill (a more euphonious name than "depressed areas bill.")

Douglas no longer can make utterances of that nature. Since 1949, he has been US Senator from Illinois. His most important voting support comes from the AFL-CIO; his voting record almost every year is 100 per cent satisfactory to the Labor Bosses

* In West Virginia, Kentucky and other coal mining states, operators without the coal reserves warranting mechanization, or without the necessary capital, sought to continue manual operations. Often their miners were willing to accept less than union wages. But John L. Lewis said "No!" Miners who preferred $2 an hour to relief faced brickbats, bullets, dynamite and telephone warnings of "harm to your kids."
There are thousands of such miners, still risking life and limb for the right to support their families at $2 an hour. But Brother Bobby, the new Attorney General, will not be enforcing their "civil rights." Against Lewis-McDonald-Reuther goons, neither white men nor black have any "civil rights."

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who might defeat a Democratic Senator who talked today as Douglas did in 1934.

The Douglas bill calls for an appropriation of $392 million. The measure would provide for loans and grants to areas officially designated as "depressed."

Senator Douglas knows that the bill will not (to quote Kennedy) "restore and revive the economy of West Virginia . . . and all other neglected areas of our country." The more literate of the 43 co-sponsors of the bill in the Senate know in fact that the opposite is true: the principal accomplishment of the Douglas bill will be to raise false hopes in the distressed areas. But the bill will create the illusion that the Hearts of the New Frontiersmen bleed for the poor and the unfortunate. The sum of $392 million of taxpayers' money is small—in their opinion—to pay for that political achievement.

CURIOUSLY, if the people of West Virginia were left to their own devices, they might take the necessary steps to "restore and revive" their "chronically jobless" areas.

A 58-year old unemployed steelworker has come up with a proposal which could make an excellent beginning. His name is Thomas E. Elliott.

Elliott was one of several thousand $3 an hour steelworkers who lost their jobs when the Wheeling Steel Corp. abandoned its Wheeling plant. Being a realist, Elliott recognized the difficulties of attracting new industries into a higher-scale area.

He persuaded 800 fellow workers to join his "Save-a-Plant" program. They agreed to accept $1.50 an hour from any employer coming into Wheeling.

Expanding companies have already indicated an interest in the proposal. Their principal worry is that the big unions have reacted with angry denunciations of the 800 workers. "Scabs, Union busters!" cry the Labor Bosses who would far rather see those 800 men on relief the rest of their lives than working at $1.50 an hour.

Docility among the unemployed, acceptance of their fate, rather than individual initiative to solve their problem, is what the Labor Bosses want from them. The Labor Bosses have a three-step program to keep them submissive.

Step No. 1: Right now the AFL-CIO leaders want passed the bill introduced two years ago by Jack Kennedy when he was a Senator. That bill (Kennedy-Karsten) required all the states to lengthen their benefit period to 39 weeks and provided that persons earning as little as $1,770 could by becoming unemployed collect as much as $2,301.

As soon as the 39-week program has become fully accepted, Step No. 2 is to get the period lengthened to 104 weeks, also getting benefits raised to 80 per cent of take-home pay.

Then step No. 3, the ultimate: get 80 per cent of take-home pay indefinitely—no time limit. For the rest of one's life, if need be. The assumption in the minds of the more "advanced" liberals is that anyone who has worked for a year or two has a lifetime right to the same kind of a job at the full union scale in his home area.

Until a jobless person gets that kind of job, no matter how long it takes, the government—charging unemployment benefit costs to employers—must support him with all the comforts of the fully employed. "After all, it's the fault of greedy capitalists that he is unemployed." It's never the fault of John L. Lewis or David McDonald or Walter Reuther.

Reutherites offer additional arguments for their position. They argue that the purchasing power generated by the unemployment checks "helps keep the economy going." Therefore, in the opinion of the UAW chieftain, the jobless worker is doing a favor to those still employed when he demands 80 per cent of take-home pay for the full period, no matter how long, of his joblessness.

These doctrines are the obstacles that Elliott must meet as he seeks to attract industry to Wheeling.

Nevertheless, Elliott might succeed if President Kennedy would keep the Labor Bosses from resorting to terrorism against enterprising individualists who prefer self-support to charity, however generous.

However, the do-it-yourself philosophy is inimical to the New Frontier's "the government wants to take care of you" doctrine.

In the chronically depressed areas, the bout is symbolically Tom Elliott matched against the Reuther-McDonald-Lewis goons.

If Queensbury rules were enforced, who do you think would win the fight to put the willing and able back to work?

THE DOUGLAS "area redevelopment" bill is S. 1. The bill is expected to come out of Committee before you can read this article and will come before the Senate for debate and rollcall. Write your two Senators to vote "NO." Add that you oppose not only the Douglas bill, but also S. 6 and S. 9, bills based upon the same principle as the Douglas bill, but merely appropriating smaller amounts.

At one time or another, almost every community has suffered the loss of a major source of livelihood. A few communities expected an outside agency—government for example—to solve their problem. Those communities are the ghost towns of today, the few inhabitants left living upon the glories of the past. In contrast, the "do-it-yourself" communities —they number in the thousands—got up off the floor, took a deep breath, kept up the fight, and knocked out Old Man Disaster.

Local initiative, not "money from Washington," has built America.

Do the men and women who represent your state in Congress believe that elementary truth? Or are they among the new "moderns" who want "government to do everything for the people?"

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A Portrait of Dean Rusk

Why Many View the Secretary of State With Skepticism

By Fulton Lewis, Jr.

Dean Rusk, President Kennedy's now-confirmed Secretary of State, slipped by the Senate Foreign Relations Committee without too much Third Degree from the GOP.

But the Republicans have a little black book on him and his past policy statements on the Far East that will beget a hawk-like watch on his evolving performance.

He was Assistant Secretary of State for Far Eastern Affairs in 1950 and 1951 when the Korean debacle was being architected by the then Secretary Dean Acheson, which cost this country its most severe setbacks since World War II.

During this time, the Chinese Communists established themselves as the government of the mainland with tacit, and perilously close to legal, recognition by the United States.

At the same time, the free nation of South Korea was invaded from the north by armies who had been assured that South Korea was outside the United States' defense perimeter.

Mr. Rusk clearly misunderstood the nature of the Chinese Communists even after they had driven Chiang Kai-shek off the mainland. In a speech before The World Affairs Council Conference of the University of Pennsylvania in June, 1950, Rusk declared that the Chinese Revolution was "not Russian in essence" and did "not aim at dictatorship." He compared favorably the Chinese revolution with the American revolt against the British. He said Mao Tse-tung was China's George Washington.

Rusk's views were very much heeded during the Korean War, and the Assistant State Secretary was responsible in at least one instance for overruling the Joint Chiefs of Staff on a matter of military policy. Testimony before a Senate Committee investigating the military situation in the Far East disclosed that Rusk advised Secretary of State George C. Marshall to overrule the Joint Chiefs' recommendation that 60,000 combat-ready Chinese Nationalist troops be used in the Korean War.

Harry Truman wrote in his memoirs that Dean Rusk warned him personally of the dangers in bombing the bridges across the Yalu River. The President communicated with General MacArthur through the Joint Chiefs and received this reply:

"Men and material in large force are pouring across all bridges over the Yalu from Manchuria. This movement not only jeopardizes but threatens the ultimate destruction of forces under my command . . . The only way to stop this reinforcement of the enemy is the destruction of these bridges and the subjection of all installations in the north area supporting the enemy advance to the maximum air destruction. Every hour that this is postponed will be paid for dearly in American and other United Nations blood."

Nevertheless, Truman took Rusk's advice and refused permission for MacArthur to bomb the Yalu bridges. The General himself testified about Rusk before the above-mentioned Senate Committee.

He was asked to comment on Rusk's policies of "limited war," of confining the conflict to the Korean peninsula. He replied:

"That policy as you have read it, seems to me to introduce a new concept into military operations—the concept of appeasement, the concept that when you use force, you can limit that force.

"As I understand what you read, that we would apply to the military situation of Korea certain military appeasement—that is, that we would not use our Air Forces to their maximum extent, only to the limited area, that of Korea; that we would not use our Navy, except along the borderlines of Korea.

"To me that would mean that you would have an indefinite extension of bloodshed, which would have a limitless end . . . If that is the concept of a continued and indefinite campaign in Korea, with no definite purpose of stopping it until the enemy gets tired or you yield to his terms, I think that introduces into the military sphere a political control such as I have never known in my life or studied."

The private skepticism of Senate Republican leaders about Secretary of State Dean Rusk is centered in considerable degree on his associations with one Oliver Edmund Clubb, a little publicized but important cog in the State Department at the time of the disastrous evolution of our China policy in the Korean debacle.

When Rusk took over as Assistant Secretary of State for Far Eastern Affairs in 1950, Clubb was put in charge of Chinese Affairs under him. Clubb was suspended on June 27, 1951 by the State Department's Loyalty and Review Board. Rusk resigned soon afterward, in December, to go with the Rockefeller Foundation.

On February 11, 1952, the State Department called in the press and announced that Clubb had been cleared, "absolutely cleared on loyalty and security."

As it turned out, this was not the entire story. Senators Ferguson and McCarthy discovered, that (1) the Loyalty and Review Board had by unanimous vote classified Rusk's old associate, Clubb, as a security risk; (2) that the State Department's Deputy Undersecretary for Administration, Carlisle Humelsine, had supported the Board's judgment; (3) that Secretary of State Acheson had reversed the decision and restored Clubb to his job.

Clubb had been a veteran China hand, holding State Department posts from 1928 on, in Hankow,

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Peking, Tientsin, Nanking, Shanghai, Saigon, Chungking, Kunming and Changchun, among other places. Along with Owen Lattimore, John Carter Vincent, John Stewart Service and a handful of others, Clubb helped formulate American policy for the entire Far East.

On more than one occasion, Rusk voiced views on China similar to those of Clubb. The most notable was on June 14, 1950 when Rusk told a Philadelphia audience that the Communist Chinese were a different breed from their Soviet comrades, fighting for freedom instead of colonial acquisitions. Red leader Mao Tse-tung was described as China's George Washington.

In 1952, after leaving the State Department, Rusk recommended that the Rockefeller Foundation contribute almost two million dollars to the Institute of Pacific Relations, an important private group that influenced US policy along the Party line.

One reason for Clubb's dismissal from the State Department was his close association with many IPR figures, a number of them identified as Communist Party members. These included:

• Owen Lattimore, identified by several different witnesses as a Communist, although he denied it. One of them, Alexander Barmine, a former Russian General attached to Soviet Military intelligence, testified that Lattimore was a member of Russian intelligence. A Congressional investigating Committee termed him a "conscious articulate instrument of the Soviet conspiracy."

• Agnes Smedley, identified by Major General Charles A. Willoughby. General MacArthur's intelligence chief, as a member of the celebrated Communist spy ring headed by Richard Sorge, executed by the Japanese in 1944.

• Michael Gold, a well-known Communist revolutionary and writer.

• Lawrence Todd, Washington correspondent for *Tass*, Soviet news agency

• Philip Jaffe, seized by the FBI in 1945 in connection with the theft of 1,700 top secret and other classified government papers. He was named by a government witness as a Soviet agent.

This was Rusk's advisor and confidant in the formation of Far Eastern policy, including the debacle in Korea.

Arthur Schlesinger: Friend of the New Frontier

From the Richmond News Leader

The New Frontier was traced, recently, across the television screen, and it took the shape of a vicious circle. Board Chairman of Mr. Kennedy's Brain Trust—Arthur Schlesinger, Jr.—"faced the nation," and, in one half-hour, explained absolutely everything that has happened in the past half-century, and all that is to come in the next two decades.

It is all very simple, he said: We have had a cyclical coming and going of mental energy in this century. First came two decades of mental ferment under Theodore Roosevelt and Woodrow Wilson, then a lapse into a mental exhaustion and inertia for one decade. Two more decades of busy brains followed, under Franklin Roosevelt and Mr. Truman. Then—as regularly as the sun goes down at night—came the collapse into a decade of Eisenhower. So, like a magician pulling things from his hat, the smiling Mr. Schlesinger presented us with the certitude of two decades of Thought coming up.

This cyclical theory of the century's mental life has all the advantages of psuedo-scientific and mechanical metaphors applied to human life and history: It is not based on any real evidence which can be questioned, it says everything one wants it to say, and it says nothing else. It explains, for instance, what has puzzled Mr. Schlesinger for some time—the defeat, on two occasions, of Adlai Stevenson. He ran for office in a bad decade. (Mr. Schlesinger did not go on to explain why, in the dawning of our good decade, Mr. Stevenson is still not President.)

Of course, it is mere coincidence that, with the pardonable exception of Theodore Roosevelt, the good times happened to be those under Democratic Presidents and the bad under Republicans. The cycle even makes it clear that mental exhaustion was bound to follow on the period of Mr. Truman's intense intellectual activity. (At this point it began to be apparent that Mr. Schlesinger's brain tires more easily than most.)

When the mundane minds of the newsmen interrogating Mr. Schlesinger found that things were not so rosy under Truman, nor so dim under Eisenhower, as the cycle would suggest, Mr. Schlesinger gave an impartial historian's answer to the problem: Even in a decade of exhaustion, not everything could go wrong. After all, the Democrats were controlling Congress.

Now Mr. Schlesinger is a Harvard historian and a Pulitzer prize winner, a political prophet on whose Olympian brow the clouds come to stay after brushing the temples of Walter Lippmann. For him so blithely to play his cycle-game for the Democratic party is to push out new frontiers in demagoguery. He was called to speak as an historian and scholar, a representative of the discipline he espouses and the University at which he holds a position. Yet his cycle-theory was as vaguely grounded on evidence as it was precisely tooled for its political purpose.

When such a man resorts to the crass "promotion" of John Kennedy that Mr. Schlesinger did in his campaign book, when he travesties the historian's processes on television, one can well express fear for the period he hails, in the offing. The first thing the thought-decades will do, Mr. Schlesinger assures us, is rid the mind of platitudes and wishful generalization. In that case, which will go first, Mr. Kennedy's "New Frontier" or Mr. Schlesinger's "Cycle?"

In one half-hour, in a caricature of history, the bank of the Kennedy Brain Trust was opened to our scrutiny; and the vaults are empty.

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HUMAN EVENTS
--- COMMENTARY ---
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The Tugboat Strike

By Victor Riesel

Editor's note: *The two-week strike of 660 tugboatmen in New York City, by setting up picket lines around Grand Central Terminal, halted transportation on the New York Central lines all the way to Chicago. The strike was over two demands: (1) that five tugboatmen must be employed to do the work of three. (2) that all 660 tugboatmen get lifetime guarantees of their present jobs.*

The Goldberg-imposed settlement continues the status quo for a year, requiring five to do the work of three and postponing the lifetime guarantee issue.

Whether the strike lasted a week, a month, or a year, the cost to the strikers would have been negligible. Swollen union treasuries would tide over any strikers suffering financial embarrassment.

The strike leaders figured they had nothing to lose. The transportation stoppage would guarantee government intervention. The settlement might be a gain.

Perhaps the time has come for the American people to take pen in hand and ask members of Congress to end the power of 660 men to paralyze a vital sector of the economy.

But be sure to tell your Congressman the remedy is NOT to increase the power of GOVERNMENT in labor disputes. Labor can control the government. No industrial monopoly would be allowed such a power. Why should labor monopoly have it?

Two specific suggestions: The law against secondary boycott must be strengthened. Laws against violence and threatened violence must be enforced.

Read the Victor Riesel column below giving the background for the strike. Then TAKE PEN IN HAND!

Some of the men who actually pour oil on the troubled waters of New York harbor drank an extra toast this past New Year's Eve to something millions strive for—a job guaranteed for life.

These men are oilers aboard railroad tugs in a skyscraper-bound bay through which passes more than $16 billion worth of global cargo. Though these men "go to sea," these men work for two railroads—the Erie-Lackawanna and the Long Island. It was never the intention of these lines to give a lifetime guarantee. Rather, back in June 1959, the roads decided to wipe out every one of these jobs—and gave notice. There was no need for oilers aboard diesel engine tugs, said the railroad executives.

Thus began the story which also will be the story behind a thousand strikes to come.

It is woven into the uneasiness and the toughness of labor's "new approach"—yet it is as ancient as Englishmen of old heaving rocks at new weaving spindles. It is part of labor's answer to "automation" and the wizardry of new technical equipment.

These "seagoing" oilers, though they work for railroads, are members of Teamsters Local 518—"the Marine Employes Union, Hoboken (New York Harbor), New Jersey." When the companies gave notice, the Teamsters struck.

The Eastern railroad industry went into Federal courts as far as the high bench. The Supreme Court sent the case back to a lower district bench. At this point the railroads and the local decided to negotiate. After almost a year and a half they agreed that all oilers who had been on the job would have lifetime job security. They could never be fired or layed off.

Those who had less than 20 years seniority would be dismissed. They would get heavy severance pay. But they would lose their jobs after January 1, 1961, was the agreement.

However, when the deadline passed, there were only a handful of these oilers who had not rolled up the two decades on the railroad payroll.

Under the agreement signed in December, the lines could end the jobs only if the oiler died, resigned or retired. They have their job security.

They also had set a precedent. When the deadline came for action by other harbor unions which supply crews for the harbor tugs of 11 rail lines here, the Seafarers International noted this precedent well.

The 11 railroads said that five crew members were too many. They wanted to drop two. The Seafarers and their fellow unionists struck. But this, too, was only the beginning. The Teamsters precedent has also been noted by another labor organization—the Marine Division of the National Maritime Union which mans the regular harbor tugs. Its contract expired February 1. What has not been fully understood is that the NMU tugboat workers cover over 75 per cent of the cargo movements in the big harbor. They will make as tough a stand against floating automation as did the Teamsters in '59 and the Seafarers group which slowed the harbor, paralyzed trains and closed railroad stations recently. If there is an NMU tugboat workers strike, all harbor movements will stop, it seems to me. All other unions—regardless of what pacts have been made previously—will respect NMU lines.

Such a New York harbor stoppage will affect most of the nation. A week's strike would clog New York rail depots as well as its docks. It would not be long before the Association of American Railroads would slap an embargo on all freight shipments into New York's sprawling global transhipment points, as well as freight destined for distribution in the vast metropolitan area. If the railroads attempted to divert their freight to other (Mexican) Gulf or Atlantic ports, NMU picket lines would follow the freight.

Depots as far back as Pittsburgh, Chicago, St. Louis and perhaps on the West Coast would be clogged soon enough, if the railroads decided to make a fight of it. Such a stoppage could cost upward of $20,000,000 a day.

Of course, there could always be a compromise. Look at what happened when the Teamsters quietly set a precedent for a handful of oilers on the troubled tugs.

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Why the South Resists the GOP

By Raymond Moley

These were the heart-chilling months, a century ago, when the shadow of interstate war crept over the land. That tragedy might have been prevented. Lincoln did not want war. His Republican Party was not committed to abolition. The South had not been committed to secession—at least before the previous election. In the election in which Lincoln was chosen, Bell, the candidate of the Constitutional Union Party, had carried Kentucky, Tennessee and Virginia in the upper South. Stephen A. Douglas, also a candidate, reported that in his travels in the South he found little sentiment for secession.

Compromises like that proposed by Senator Crittenden might well have prevented conflict until the inevitable economic processes—so well described in Halper's "Impending Crisis"—had wiped out slavery.

But the deadly seeds sowed by a handful of fanatics in the North and in the South had taken roots, and the poisonous fruits were ripe. When war came, millions of American men and boys responded, and their blood flowed through four terrible years. Then the Victorious Republican Party fell into the hands of fanatical statesmen and adventurers, and more than ten years of terror resulted. That is a stain which Republicans should now try to erase. For as Winston Churchill has so well said, the virtue of victory is magnanimity.

But now, at the opening of Congress, we witness the tiresome re-enactment of the argument for changes in the rules. Republicans are joined now by illiberal "liberal" Democrats to parade the shell of an issue from which all living parts have vanished. In the Senate exponents of simple majority rule battle with those who seek to maintain the constitutional principle of minority rights.

The present hullabaloo will probably end as always, since the majority have enough sense beneath their hypocrisy to realize that when they are in a minority they want the same right to check precipitate action as the Senators from the South do. Senators Morse and Douglas have eagerly used the filibuster when it has served their interests.

It might be well for Republicans to look back at the causes of the great war between the states. That is well put in a small book, "No Compromise," by Arnold Whitridge. The author is a Northerner. He served for ten years as Master of Calhoun College at Yale. He is the grandson of Matthew Arnold, and some of that quiet fairness which distinguished the grandfather has been inherited. He says that his is a "book about fanatics, about the handful of men, North and South, who fostered hatred between the two sections of the country, who magnified everything that might lead to misunderstanding, blocked every effort at compromise, and finally drove a reluctant people into a war they did not want to fight."

Whitridge makes the point that after patient and loyal hosts began slaughtering each other, Rhett, Yancey, Ruffin in the South and Garrison, Brown, Thompson, and the rest of the abolitionists in the North vanished into the obscurity from which they rose. It was, says Whitridge, "the fanatic who called the tune." It was the blood of hundreds of thousands that paid the fiddler.

But it was the behavior of the Republican Party after the war ended that has left what Hodding Carter has called "the angry scar." And some Republicans in Congress, from some of our great states, still seek to squeeze political profit from the policies pursued by the Republican demagogues of the period from 1865 to 1878.

Can they not realize the wry irony of their position? Their defect in vision is what is called presbyopia. They still see political advantage in the policies of 90 years ago, but cannot see what is present in the South in 1961.

The South could not split the Union, but it was able in self-defense to destroy the Republican Party as a national organization. The Negroes around whom the hurricane whirled no longer regard the Republican Party and Abraham Lincoln as their liberators. They have found Democratic emancipators. And their vote in 1960 frustrated the opportunity of the Republican Party to retain the Presidency.

Republicans of national stature who campaigned in the South in the 1960 campaign say now that the great vote for Nixon was not based upon religion and certainly not on what the Republicans have done for civil rights. It was given to Nixon-Lodge because a new generation in the South is seeking an alternative to the Democratic Party dominated by radicals and "liberals." To attain the Presidency again, the Republican Party needs not so much votes as states. And those states are in the South, if the GOP has enough sense to turn from its sorry past.

Warren Court Does It Again

From the New York Daily News

Maurice E. Travis has been twice convicted in Colorado federal courts of having filed false non-Communist affidavits with the National Labor Relations Board while an official of the Mine, Mill and Smelter Workers Union. Sentence: eight years in jail and a $4,000 fine.

On a recent Monday, by a 6-3 decision, the Earl Warren Supreme Court reversed the conviction. Its reasoning: the NLRB's head office is in Washington, D. C., so Travis should have been tried there instead of in Colorado, where he mailed his affidavits to the NLRB.

That is nothing but a legal technicality, made to work in favor of Travis and against the public interest. Worse, the three-year statute of limitations on reindicting Travis has run out.

See what a lot of us mean when we say the Warren Supreme Court is one of the best friends the US Communist Party ever had?

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The Story of Elliott Roosevelt

From the Chicago Tribune

A few days ago, hardly anyone outside northern Iowa had heard of Mrs. Burnice Geiger, until recently assistant cashier of the Sheldon National bank. But everyone has heard of the financial adviser to Northern Biochemical corporation, Sheldon's new, booming business, in which Mrs. Geiger was the largest stockholder. For this adviser is Elliott Roosevelt, son of the late President.

In current reference works, Elliott Roosevelt describes himself as "writer and rancher" and president of a uranium company, with offices at Grand Junction, Colorado. But even the latest books are unable to keep up with Roosevelt. [Since the most recent issue of "Who's Who" he has acquired yet another wife, his fifth. His latest marriage took place in British Columbia; the one before that, in Miami Beach. News of Mrs. Geiger's sensational embezzlement reached Roosevelt in New York.] He gets around.

People with short memories may need reminding that between the ages of 18 and 30 Elliott Roosevelt's estimated receipts were some $1,175,000. True, about $800,000 of this was in loans that various people made him for reasons best known to them. [The most highly publicized of these loans was $200,000 from John A. Hartford, president of the A & P food store chain, who settled later for 2 cents on the dollar.] But $375,000 of Elliott's income was in salaries and commissions—not bad for a youngster in his twenties. When he entered the armed forces in 1940, his income was reported as slightly higher than his father's $75,000 as President of the United States.

As a soldier, Elliott was a great success. He began at the rank of captain and rose to the rank of brigadier general, being promoted over 9,700 other colonels amid considerable furore. He was loaded with decorations by the governments of the United States, Great Britain, and France. After the shooting was over, some sour airplane contracts he put through were long remembered. When his dog Blaze [a present to his third wife, Faye Emerson] bumped several soldiers off crowded airways, he received the most intense publicity of his career. In the end, Blaze suffered capital punishment for roughing up Fala, President Roosevelt's favorite Scottie.

One can see how Elliott Roosevelt's financial advice might be sought. Be it remembered, that in 1953 he decided not to go ahead with several projects in Cuba, including one to manufacture fertilizer out of Havana garbage. He said he had a "number of reasons, including political unrest," for backing away. This showed acumen.

There is a long established basis, too, for Elliott's classification as a "writer." That is what he gave as his occupation when he got his fourth marriage license at Everglades, Florida. His writings [largely concerned with his father and his trips to Casablanca, Moscow, etc., with the President] have received some attention from important critics. Winston Churchill, war time British prime minister and something of a writer himself, once called them "rubbish."

So why shouldn't Elliott turn up in association with Northern Biochemical? There seems a certain appropriateness about it all.

A Memo To Taxpayers and Tax Spenders

From the Cleveland Plain Dealer

Over the years Cleveland's Warner & Swasey Co. has developed the admirable custom of presenting its national advertising in the form of editorials about the state of the nation. We don't see how the one in the January 2 issue of *Newsweek* could be improved upon. It reads like this:

It's so pleasant to "give" some community a power project (it's federal money; it's "free"). It's so easy to "give" federal billions for miles of roads all over the map. It makes you feel so good to "lend" (give) billions to build and equip factories for poor nations (they'll soon compete with you and take your job, but it's kindly). And while we're taking good care of war-injured veterans (as we should) let's be generous and pay all the hospital bills of millions more who never saw a battle!

And if the "little people" of the world threaten a Red tantrum if they don't get all they want, give them more. "We want to buy friends, and after all it's federal money."

But then the bills come in. We learn what we should have remembered all along—there is no such thing as federal money—it's all local money, your money. So taxes go up and prices go up; our pennies don't buy much, our savings don't go as far, our bonds and life insurance become worthless and less. That's a pretty big price to pay for being a "good fellow," isn't it?

Before we accept a "present" from kindly Uncle Sam—before we give away "his" money, look at the price tag. It may be concealed, but you can be very sure it's there. It's YOUR MONEY.

Premature Retirements

Dr. George E. Burch, professor of medicine at Tulane University, asserted at the White House Conference on Aging that no one should ever retire unless for health reasons: "Inactivity predisposes to self-pity, worry, defeatism, a sense of uselessness, boredom, depression and even a desire for death to escape loneliness and the miseries of idleness . . . Men need the same opportunities as women to work without interruption throughout life . . . . Remember, active housewives attend the funerals of their idle, retired husbands."

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Inaugural Sideshow

BY GEORGE FOWLER

The Kennedy name has become synonymous with political efficiency. The symphony of success which went into high gear a year ago during the snowbound Wisconsin primary reached its crescendo with John F. Kennedy's January 20 inauguration in equally snowbound Washington.

But the big sub-plot of that inaugural may continue to build into something that will affect the smooth running Kennedy saga long after the plush gowns and easy gaiety of the assembled Democrats have passed. It involves the court crooner of the Kennedy clan, Frank Sinatra. Frankie, boss of the Hollywood group which calls itself the "Rat Pack," ran the inaugural extravaganza which raised a million and a half dollars to replenish the post-election Democratic war chest.

Sinatra no sooner arrived in Washington than the verbal eggs began to fly in his direction. Economy-minded H. R. Gross (R.-Iowa) became indignant upon realizing that Frankie and Peter Lawford, a "Rat Pack" member and Kennedy's brother-in-law, were provided with a uniformed military driver to transport them from the airport when they arrived for the festivities. The Defense Department apologized for the boner. Even the far-left New York *Post*, which championed Sinatra when he refused to fire a Fifth Amendment Communist screenwriter, agreed with Gross and stated its confidence that "Mr. Sinatra can find his way out of town unescorted."

After arriving, Sinatra attended a party at Kennedy's Georgetown home. He arrived with the wife of singer Nat "King" Cole on his arm. A reporter, aware of "Rat Pack" social patterns but unaware that the lady was Cole's wife, asked Frankie whether she was his date. "What are you, a Bulgarian?" Sinatra sneered at the newsman as he entered the President-elect's home.

But the real row with the Washington press began the next day, two days before inauguration. UPI wrote: "Frank Sinatra gave the Kennedy Administration its first black eye with the press today." The wire service stated that newsmen had been informed that they would be admitted to rehearsals of Frankie's big show for the Democrats but they had been thrown out upon arrival. The American Newspaper Women's Club planned a champagne supper for Sinatra and his assembled entertainers but he refused to attend, stating that he would throw his own party and invite whom he liked. One lady reporter wrote that "the Democrats begged him to think twice" about this press snub, but that party moguls finally gave in to Sinatra, who "has a will that makes steel seem like chewing gum."

The latter has been a well known fact to those familiar with the juke box Mussolini's career. Toughened by long associations with infamous racketeers, Sinatra virtually "runs" the "Rat Pack," which includes Lawford, Dean Martin, Sammy Davis, Jr., and several others. Frankie sets the fashion trend, and if a certain clothing style is "in" with him it is automatically "in" with the entire clan.

And it appears that Sinatra is definitely "in" with the Kennedys, whether some of their advisers like it or not. *Newsweek* recently reported that one top Kennedy aide "deplores" the New Frontier's association with the singer. If President Kennedy is called upon to cool down his court crooner or smother a potentially embarrassing situation, it won't be the first time. Last spring, while Kennedy was in the midst of his primary contests, Sinatra (who recorded Kennedy's campaign song for the sound trucks) was embroiled in a controversy over his hiring a Fifth Amendment screenwriter to write the script for his next movie. John Wayne had criticized Sinatra for it and Sinatra decided to retaliate by taking a poke at the rugged anti-Communist actor at a charity affair. Wayne is a good friend of Senator Barry Goldwater, and some smilingly read a symbolic note into the row. Friends of Sinatra stopped him from attacking Wayne (which would have been like Wimpy attacking Popeye at a spinach festival) but the entire matter gained wide press coverage. The word from Senator Kennedy was explicit—fire the screenwriter and shut up about the whole thing.

Perhaps Kennedy would have been wise to unload Sinatra right then and there, although it might have proved difficult because of the singer's close ties with brother-in-law Lawford. Sinatra went on to work for Kennedy at the convention and during the campaign. Now, as the man most responsible for eradicating the Democratic campaign debt, he has an engraved key to the White House.

Last August we wrote an article entitled "Will the Rat Pack Infest the White House?" Evidently that question has already been answered in the affirmative. Although Sinatra's theatrical talents raise large sums of money for the Democrats, his offstage capers in connection with the Kennedys may afford the Republicans a wealth of future campaign material.

COMMENTARY reprints available: single copy 15c; 15 for $1; 35 for $2; 125 for $5; 300 copies for $10; 1000 for $20; in 5000 lots $15 per thousand. Please order by date of desired issue.

Teen-Age Crimes

"The brutality of the crimes committed by teenagers certainly pales the all-inclusive pampering, palliative phrase of 'juvenile delinquency' which is used today. Daily I am appalled by news items and reports which come across my desk revealing the disgusting and sordid picture of acts almost too obscene to be attributable to those who are still in the second 10 years of their lives."

—J. Edgar Hoover

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Galbraith's Modern Brand of Feudalism

By GEORGE REISMAN

MATERIAL PROGRESS and individual liberty have once again been made the targets of a crude, sniper attack. In his book, *The Affluent Society*, John Kenneth Galbraith, Harvard social commentator, has indicated that he views with grave displeasure the "sense of urgency" which is attached to "the craving for more elegant automobiles, more exotic food, more erotic clothing, more elaborate entertainment—indeed for the entire modern range of sensuous, edifying, and lethal desires [*sic*]." (p. 140.) He has proclaimed that there are things of greater importance, such as more public schools, public parks, public roads, and anything else which "public authority" may deem to be in "relative need." (pp. 311f.) And he has let it be known that the liberal should cease being "a co-conspirator with the conservative in reducing taxes." (p. 314.)

Were it not for the fact that Mr. Galbraith and his followers will exercise considerable power and influence in the new Administration, there would be no purpose in discussing the ideas of this man. For as a thinker, Mr. Galbraith is not overly distinguished. His procedure is to combine an immense moral pretentiousness with a rather limited understanding of the teachings of the economists. And though he depicts himself as a daring innovator writing in defiance of an overwhelmingly hostile intellectual environment, his practical position is in essence no different from that of the typical leftist club-woman; nor has it been for quite some time. However, the recent Democratic victory at the polls means that the attempt will be made to implement policies based on the theories of Mr. Galbraith; and, therefore, his ideas bear closer examination.

The thesis of *The Affluent Society* is a variant of the Marxian dialectic. Our social morals, economic science, and political institutions are, in Galbraith's eyes, the products of an age of scarcity. When men had to contend with cold and hunger, when they had to devote all of their energies to securing their bare, physical survival, production was of paramount importance. It was natural, therefore, that productivity and industriousness should be regarded as virtues, while anything which reduced the supply of goods in the hands of private individuals, such as taxes, should be considered an evil. Thus, Galbraith explains, the businessman and business efficiency were held in high esteem, while the government was viewed with suspicion and forced to bear the burden of proof for the need of every tax dollar; every transfer of resources from private individuals to the government required a specific, affirmative act of the legislature.

Now, however, the underlying economic reality has changed, leaving behind an outmoded political and ideological superstructure which Galbraith calls "the conventional wisdom." For, in America, at least, we have reached an age in which "affluence is rendering the old ideas obsolete . . . ." (p. 143.) In the future, it will be college professors and government officials, not businessmen, to whom the public will grant prestige. (pp 184ff., pp. 194f.) And what is required fiscally is "a system of taxation which automatically makes a pro rata share of increasing income available to public authority for public purposes. The task of public authority, like that of private individuals, will be to distribute this increase in accordance with relative need. Schools and roads will then no longer be at a disadvantage as compared with automobiles and television sets in having to prove absolute justification." (pp. 311f.)

WHAT IS GALBRAITH *saying?* Stripped of the veneer of pseudo-scientific disinterestedness, he is blatantly arguing for the institution of a modern brand of Prussian feudalism! It is possible that he himself is unaware of this. For he imagines that somewhere, off in the stratosphere as it were, there are private individuals, "public authority," "increasing income," and "relative need." In his eyes, it is a question of mere technical expediency whether "increasing income" is to accrue to private individuals or to "public authority"; in either case, it will be distributed in accordance with "relative need." Affluence now dictates that a pro rata share of "increasing income" accrue to "public authority."

Thus, Galbraith is not for one moment bothered by such mundane questions as to *whom* does the "increasing income" *belong*, and *whose* "relative need" is to determine its distribution? There is simply "increasing income" and "relative need." The fact that private individuals have produced the goods which constitute the "increasing income" is not considered a valid reason for them to determine its disposal. As was the case with the feudal lords of the pre-capitalist era, "public authority" is to have an unquestioned claim to a regular share of the fruits of others' industry; it will distribute the products of others in accordance with what it, and not they, deems to be in "relative need." And, just as in old Prussia or Czarist Russia, the servants of public authority—the government officials and their intellectual flunkies in the tax supported schools and universities—will have prestige, while the businessman, who supports them, if not considered vulgar, will be regarded as unimportant.

In Galbraith's words: "To the extent that problems of military defense, foreign policy, agricultural administration, public works, education, and social welfare are central to our thoughts, so

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the generals, foreign service officers, administrators, teachers, and other professional public servants are the popular heroes." (p. 184.)

The chain of reasoning by which Galbraith proceeds from the existence of affluence to advocacy of an irresponsible "public authority" having arbitrary power to spend a pro rata share of the increasing income of the individual is somewhat involved. He begins by citing the law of diminishing marginal utility, according to which the importance an individual attaches to the possession of any given quantity of means of provision diminishes as the total quantity of means of provision at his disposal increases. Thus, according to the law of diminishing marginal utility, a man attaches less importance to the possession of a gallon of water if he has 1000 gallons than he would if he had but ten gallons. Likewise, an individual attaches less importance to $100 if his wealth is $10,000 than he would if his wealth were but $5,000.

Galbraith, in defiance of the most explicit testimony on the part of the leading theorists of marginal utility (see the remarks of Menger, Boehm-Bawerk, and Wieser), would have his readers believe that economics as a science has tried to hide the fact that the marginal utility of wealth in general as well as that of particular goods diminishes. (Chap. X.) And after overcoming the straw man of an incorrect version of the marginal utility theory, and showing that it must apply to wealth in general as well as to particular goods, he draws two totally unwarranted conclusions:

(1) He infers from the law of diminishing marginal utility, as applied to wealth in general, that the *acquisition* of wealth becomes progressively less important as the amount of wealth increases. Here he makes an enormous equivocation between the importance of a *concrete amount* of wealth as the total amount of wealth increases and the importance of *acquiring* wealth as its total amount increases. For while the importance of the former diminishes with the increase in the amount of wealth, the importance of the latter does not. The very purpose of acquiring wealth and the source of the importance of so doing consist precisely in the *reduction* of the marginal utility of wealth. The achievement of a progressively lower marginal utility of wealth is one of the main goals of every rational individual. For the ability to achieve an ever lower marginal utility of wealth is identical with the ability to make an ever greater and more complete provision for the maintenance and enhancement of one's life and well-being. It was the desire to be able to reduce the importance attached to bearskins, animal bones, and caves which brought man out of the depths of savagery; and it was the desire to be able to reduce the importance attached to rags, breadcrusts, and primitive hovels which brought man to modern civilization.

Yes, it is true, bearskins and rags no less than the "more erotic clothing" of modern times afford protection against the cold; it is true, animal bones and breadcrusts no less than the "more exotic food" of our day provide nourishment; it is true, caves and hovels no less than the luxurious American homes with air conditioning and swimming pools offer shelter from the elements. And it is also true that if such a catastrophe should ever occur and people be forced to choose, they would attach greater importance to the means of bare, physical survival than to the qualitative differences which distinguish the products of modern industry from those of primitive toil. But does this mean that man should have stayed in the cave, or have stopped upon reaching the hovel? And does it mean that he should rest content with what he has today? Are life and productive achievement to give way to a passive stupor, merely because one has a full belly and is no longer at the mercy of wind, rain, and cold?

(2) Galbraith's second inference is that the reduced marginal utility of wealth is an argument for the enlargement of the role of the government in satisfying the wants of consumers. This conclusion in no way follows. For not only are the services of the government fully as much subject to diminishing marginal utility as everything else, a point which he seems to overlook, but they are also always of *lower* marginal utility than the alternative private goods and services. If people must be *forced* to pay for them under the threat of a jail term for non-payment of taxes, that is the proof. In fact, however, Galbraith's argument is not based on the law of diminishing marginal utility, but only appears to be.

NOT DIMINISHING MARGINAL UTILITY, but the alleged determinism of advertising is the cornerstone of his argument. For the proof he offers of the unimportance of production is the fact that had they not been advertised, there would have been no demand for a great many of the products now being produced. Without advertising and salesmanship to "contrive" a sense of want for them, he declares, the marginal utility of such products would have been zero. (p. 160.)

If goods which require advertising and salesmanship satisfy only "contrived" wants, what then is Mr. Galbraith's standard by which goods satisfy legitimate, non-"contrived" wants? Apparently, his standard is that the buyers must know precisely what they want and precisely from whom to obtain it without the benefit of advertising and salesmanship. "A man who is hungry need never be told of his need for food. If he is inspired by his appetite, he is immune to the influence of Messrs. Batten, Barton, Durstine & Osborne. The latter are effective only with those who are so far removed from physical want that they do not already know what they want. In this state alone men are open to persuasion." (p. 158.)

The absurdity of this standard is immediately evident. If a man is suffering from pneumonia, need he never be told of his need for penicillin? If

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a man desires to travel, need he never be told of the existence of automobiles, airplanes, railroads, and steamships and from whom they or their services are available? If a man desires artificial light, need he never be told of the existence of electricity and electric lights and where to obtain them? Or if he is hungry, need he never be told of the hundreds of different kinds of food and where to come by them? Or must men be born with a knowledge of all these things and where to acquire them, before they can be considered to satisfy non-"contrived" wants?

Indeed, advertising and salesmanship do bring about the desire for goods. More than that, they are even responsible for giving to what would otherwise be mere *things*, the very character of *goods*. For in order for a thing to become a *good*, three conditions must be fulfilled. Not only must it satisfy a human need, but also one must *know* that it satisfies one's need, and one must have *disposal* over it. Advertising and salesmanship provide the knowledge that it does satisfy a human need and where to obtain disposal over it. Needs are original with the buyers; advertising and salesmanship transform needs into desires for concrete goods by providing knowledge: knowledge of what things satisfy the various needs and where to obtain them.

Again, it is the doctrine of the determinism of advertising which is the basis for his conclusion that the role of the government in satisfying the wants of consumers must be expanded.

For not only does advertising compel people to buy the products which are advertised, but also, he alleges, it inevitably tends to prejudice the consumer in favor of private goods and services, even in his capacity as a voter. The result is that ". . . public services will have an inherent tendency to lag behind." (pp. 260f.) And it is this which explains why "The family which takes its mauve and cerise, air-conditioned, power-steered, and power-braked automobile out for a tour passes through cities that are badly paved, made hideous by litter, blighted buildings, billboards, and posts for wires that should long since have been put underground." And why "They picnic on exquisitely packaged food from a portable icebox by a polluted stream and go on to spend the night at a park which is a menace to public health and morals." Hopefully, "Just before dozing off on an air mattress, beneath a nylon tent, amid the stench of decaying refuse, they may reflect vaguely on the curious unevenness of their blessings." (p. 253.)

Rarely has such sophistry been employed in an attempt to evade the obvious. Indeed, the material blessings of Americans are uneven, and Galbraith is correct when he says: "The line which divides our area of wealth from our area of poverty is roughly that which divides privately produced and marketed goods and services from publicly rendered services." (p. 251.) But is the reason that advertising causes a voter bias against appropriating funds for government services, or that government services are provided by individuals using tax revenues, individuals who will make no profit if they are successful, and who will suffer no loss of their own capital if they are unsuccessful? Does the solution lie in devoting still more wealth to an institution inherently unfit to be a producer, the government, or is it not time to ask whether the roads, parks, and sanitation services should not be run on the same principles which have proved so successful in the manufacture of automobiles, food, refrigerators, air mattresses, and nylon tents?

Moreover, is the concept of bias applicable in explaining the voters' reluctance to appropriate more funds for public schools and public parks etc. at the expense of such things as television sets and 'erotic clothing?" "The voters" comprise many millions of particular, individual voters. And it is just possible that part of the explanation may lie in the fact that a man prefers *his* television set to finger-painting materials for *someone else's* children, or that a woman prefers *her* new dress to a tree in some park which she herself will rarely or perhaps never visit. Is it a matter of bias for a man to be more concerned with *his* family's entertainment than with the education of *someone else's* children, or for a girl to be more concerned with *her own* appearance than with the appearance of some town's landscape? It may come as a great shock to Mr. Galbraith: not only are there things of greater importance than "the community's schools and parks," but the decision as to what is important to whom is not his to make!

IS THERE ANYTHING at all to Galbraith's claim that advertising causes a voter bias in favor of private goods and services, and thus an inherent tendency for public services to lag? The empirical evidence is overwhelmingly against him. Our armed forces, after all, are no longer provided with muskets, but with rockets and hydrogen bombs. And never before has the government had at its disposal so much revenue, both absolutely and relatively, for its various social projects. If anything is true, it is that voters today have a bias *against* privately produced goods and services, and that expenditure for public services, far from having a tendency to lag, has shown a remarkable tendency to increase!

Galbraith's doctrine of the determinism of advertising suffers from a number of other serious shortcomings. For if it were true that advertising determined one to buy, how could the choices consumers make among numerous highly advertised products be explained? How could the fact that people still buy unadvertised products be explained when there are close substitutes which are advertised, as in the case of fresh versus canned vegetables? And how is it possible for Mr. Galbraith to avoid being biased by advertising in the same manner as he alleges the voters to be? By what mysterious means are Mr. Galbraith and "public authority" enabled to rise above the alleged causal forces acting on lesser mortals?

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And, finally, even if advertising were deterministic, it must never be forgotten what Mr. Galbraith's alternative is: In the place of the television cartoon and radio voice causing people to prefer private goods and services, he proposes to substitute the tax collector and the whole apparatus of informers, police, jailers and prisons; this will ensure that people will prefer public services. The choice he offers must be made explicit: The alleged determinism of the billboard and poster, or the determinism of the gun and club.

The overwhelming anti-democratic implications of this position cannot be ignored, even if Mr. Galbraith does not pursue them. For what does it mean to say that the voters are determined (p. 260) while "public authority" and, to be sure, Mr. Galbraith are not? This is nothing but the assertion that he and his friends have the right to make decisions without the consent of the voters, because he and they alone, being exempt from determinism, are in a position to make rational decisions.

Though he has much in common with them, Galbraith is not simply a modern "liberal" or do-gooder. For modern "liberalism" is still characterized by a high degree of secularism, while Galbraith is openly and consistently "anti-materialistic." In spite of this, however, it may appear to the reader of The Affluent Society *that Galbraith does base his program on some concept of the individual's happiness on earth, even if reserving to himself the right to lay down wherein that happiness is to be pursued. But this is highly doubtful. For on a number of occasions the mask begins to slip.*

THE FIRST DOUBTS arise when he advances his arguments on diminishing marginal utility, and then in Chapter XI, when economic activity is compared to the purposeless motion of a squirrel trying to keep abreast of a wheel which is propelled by its own movement. (p. 154, p. 159.) And, earlier in the same chapter, when he compares modern desires for goods to artificially cultivated demons called into being by the goods themselves, and asks if the solution lies with more goods or fewer demons. (p. 153.) This smacks very heavily of the Oriental, mystical view of man. The fact that life requires continuous action to maintain it, that happiness requires continuous progress and improvement, and that no matter how much one has already done, there is still more to do, is looked upon as pointless, and the proposal made that instead, one do nothing.

In Chapter XII, he says something truly remarkable. For there, packed between page upon page of prattle about the importance of more public schools and more public recreational and cultural opportunities, we find that they too appear on the list of "nonessentials," along with the restaurants, cafes, garages, and movie theaters. This occurs in his discussion of the great allied bombing raid on Hamburg during three nights of July, 1943. "On these three nights of terror their [the inhabitants of Hamburg] standard of living, measured by houseroom, furnishings, clothing, food and drink, recreation, schools and social and cultural opportunities, had been reduced to a fraction of what it had been before." (p. 162.) Is this a disaster of the most enormous proportions? Not for Galbraith. For, he concludes: "In reducing, as nothing else could, the consumption of nonessentials and the employment of men in their supply, there is a distinct possibility that the attacks on Hamburg increased Germany's output of war material and thus her military effectiveness." (p. 163.)

Thus, in the last analysis, the only thing really essential, according to Galbraith, is the military effectiveness of the state. Everything else is "nonessential."

And, finally, in perhaps what is the most amazing slip of all, in his advocacy of the arbitrary spending power of "public authority," Galbraith is on the verge of suggesting that individuals ought to be made to prove their need for things before being allowed to buy them: "But with increasing income, resources do so accrue [automatically] to the private individual. Nor when he buys a new automobile out of increased income is he required to prove need. We may assume that many fewer automobiles would be purchased than at present were it necessary to make a positive case for their purchase. Such a case must be made for schools." (p. 311.)

One must wonder if what Galbraith is really advocating is not simply state power as an end in itself and individual deprivation both as an end in itself and as a means of demonstrating the power of the state. The possible suffering which such a man may inflict on the American people, once having achieved a position of power or influence, is unspeakable. For he seems to combine the mentality of a dictator with a total contempt for the individual.

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